

Our asks for funding to support local growth post 2025

Who we are

Local London is one of the four sub-regional partnerships in London. We are a partnership of nine London Boroughs; Barking and Dagenham, Bexley, Bromley, Enfield, Greenwich, Havering, Newham, Redbridge and Waltham Forest. Local London is a Leader / Mayor-led partnership and its strength lies in its members' engagement on priority issues of sub-regional significance.

It is one of the fastest growing parts of London and an engine of growth for the UK. It is a sub-region of great opportunities with strong international connections and huge development potential. There is space to grow here at a scale not available in any other part of the capital. However, it is an area with many challenges too, including low skills, an infrastructure deficit, a high cost base, communities scarred by COVID and dealing with a cost of living crisis.

Our statistics on unemployment and fuel poverty are significantly above the national average. For example, Barking and Dagenham, Newham and Waltham Forest are the three boroughs with the highest proportion of fuel poverty in London. Our unemployment rates prior to COVID tracked the London average, but spiked in 2020 and have been slower to recover. In December 2022, Local London measured a claimant rate of 4.7%, 0.2% higher than London average, and significantly above the national figure of 4.4%.

When considering skills and attainment levels, Local London's proportion of highly educated residents is still markedly below that of the capital as a whole – which shows 58.99% of the population to have attained an NVQ 4 equivalent or higher in 2021. Figures for Havering are especially low, with just 37.71% of the working age population having attained an NVQ 4+.

Despite being one of the fastest growing parts of the UK with average growth over 10% between 2011 and 2021, we lack the infrastructure to support our businesses and communities. For example, there are over 163,000 premises in the sub-region (over 15%) unable to receive gigabit capable broadband and of these over 19,000 premises are a 'not spot'.

The lack of public transport infrastructure in outer London, in particular in the Local London sub-region, is reflected in travel to work patterns where almost all Boroughs have significantly higher car use than the London average. Bexley and Havering residents relied most on driving a car or van to travel to work at 36% and 36.8% respectively in 2021 (Census data).

Nevertheless, many of our residents rely heavily on public transport to travel to work. During the pandemic where working from home rates across all of London averaged 42%, most of our Boroughs had lower than average rates of home working. The home working rate of 20.7% in Barking and Dagenham, illustrates this gap.

Our track record on delivery

Our sub-region, despite the challenges illustrated above, is one of the most dynamic parts of London and is constantly evolving thanks to strong partnership working, a culture of innovation, and an entrepreneurial mindset. The Local London partnership has a strong track record of delivery and support for our boroughs.

This was particularly notably through COVID, where our employment programme delivery showed flexibility and adaptability, especially the JETS programme which helped 15,800 residents back into work. Our e-business programme to date (February 2024) has supported 2,000 SME business owners boost their digital skills to grow their business and improve their productivity. These businesses have reported £19,115,248 increase in business turnover combined. Through the e-business programme these SMEs have safeguarded 2,043 jobs and created 475 new ones. These are just two small examples from our wide portfolio of programmes.

Local London enjoys strong working relationships with central government departments, the GLA, London Councils, and with our Borough partners, including education and training providers and other local stakeholders. Therefore, we are well paced to share our reflections on how national and London investment needs to be designed to support our growth and address the structural challenges in our sub-region.

Funding for Local Growth

Local London has been working closely with boroughs since 2016 to maximise investment from a range of public sources to support local economic and social objectives. This has included managing nationally-funded projects with EU funding including the Work and Health Programme, Local London Works, the UK Shared Prosperity Fund (People and Skills) as well as GLA-funded programmes like SIP e-business, digital infrastructure, Careers Hub and the Integration Hub. Therefore, Local London has developed a good understanding of the challenges facing boroughs, how well-designed public funds can support local growth and what lessons can be learnt for future programmes.

The main source of funding for local growth currently available to support boroughs ambitions is the UK Shared Prosperity Fund (UKSPF). This is due to end in March 2025 and there is currently no proposal for either an extension or a successor programme. Similarly, many of the GLA-funded programmes are due to end also in 2025.

Any successor programme to UKSPF and Levelling Up should be locally focussed, locally shaped and designed to support inclusive and sustainable growth.

Our key messages

Reflect and learn from local experience: Many national programmes for local growth have not been subject to evaluations where lessons can be learnt¹. Local partners have concrete examples of what has worked well and are keen to share learning. For example, boroughs involved in the pilot Wayfinder programme were positive about the design and impact of this business support programme. Therefore, it was disappointing when the GLA decided to

¹ House of Commons, Committee of Public Accounts, report on Local Economic Growth, June 2022: <https://committees.parliament.uk/publications/22483/documents/165800/default/>

pursue a signposting programme (Grow London Local) rather than a business support scheme.

Alignment: Despite the commitments set out in the [Levelling Up White Paper](#), boroughs have reported challenges making national (UKSPF, Levelling Up Fund) and GLA funds work together. More broadly, there are overlaps and underlaps with other key sources of public funding, including NHS funding and infrastructure investment. One easy win would be to ensure alignment with Opportunity Areas and future funding for local growth.

Devolution: Experience from the boroughs has illustrated that where funding programmes have been shaped by local stakeholders, the funding has had most impact on communities and businesses. Local London has developed a strong reputation for delivery of a national programme with local impact such as the DWP-funded Work and Health Programme, one of our suite of employment programmes that combined have helped over 16,000 local people find work, many of whom were furthest from the job market and facing complex barriers to entering employment.

The Local London the e-business programme was originally set up in the Royal Borough of Greenwich, was expanded with SIP funding to the sub-region and is now being delivered across London with UKSPF. Boroughs have reported that this programme has dovetailed well with local business support provision and is delivering impactful digital business support across the sub-region to over 2000 micro and SME businesses, safeguarding local jobs and increasing revenue. Devolved delivery works.

Continuity and transition: With UKSPF coming to an end in March 2025 and no announcements expected soon, boroughs are now preparing to inform staff of risks of redundancy. With a general election likely in autumn, there is insufficient time for a new programme of investment to be in place and for local partners to be ready to deliver by April 2025. At least an early announcement of an extension of the programme and a full year of funding at 2024-25 would buy time to start preparation for a new programme.

Focus: On supporting sustainable and inclusive growth and boosting productivity, addressing deprivation and enabling holistic approaches to community development, e.g. housing, skills, health promotion, employment support.

Geography: While scale is key, the geography of London is too large to enable targeting. Working via sub-regional partnerships, boroughs can shape the focus of programmes to meet local needs while avoiding the burden of bidding and programme management which is better done at scale.

Long-term strategic programming: Complex programmes require time to enable consultation and planning. At least two years preparation is required to enable an investment plan to be developed and enable boroughs to prepare to start on time. In addition, any programme shorter than 5 years risks being derailed with concentration on start up and wind up rather than delivery. For example, The UK Shared Prosperity Fund Prospectus for 2022-2025 wasn't launched until April 2022. This meant that the Investment Plan for London wasn't agreed until November 2022 despite moving at pace. Consequently, spend for the 1st year of the programme was almost impossible. Only year 3 of UKSPF has a full operational budget.

Good design: Local London calls for a multi-year (at least 5), multi fund programme approach, with both revenue and capital in each stream. In this way, priority investments can be developed with capital programmed in at the start and dovetailed with revenue focussed

activity which can help deliver the outcomes that capital alone cannot deliver. This has been one of the key lessons from boroughs' experience of delivering Levelling Up funded projects.

A mix of allocation and competitive distribution: Allocation where there should be an objective focus on concentrating need, competition to enable and encourage join up with relevant partners such as HE, innovation centres and business clusters. Boroughs with similar challenges should not be pitted against each other and have to incur at-risk project development costs.

An example of how to improve competitive distribution would be to ensure that there is clear targeting of funding and geographical measurement of impact. The UKSPF supporting local business call in 2023 funded a number of 'pan London' projects. Without having any obligation to deliver pan-London has resulted in projects having a much more limited geographical impact.